

STAND. COM. REP. NO. 495

Honolulu, Hawaii

FEB 15 2019

RE: S.B. No. 1190
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Housing and Water and Land, to which was referred S.B. No. 1190 entitled:

"A BILL FOR AN ACT RELATING TO LEASEHOLD CONDOMINIUMS ON
LANDS CONTROLLED BY THE STATE,"

beg leave to report as follows:

The purpose and intent of this measure is to authorize the Hawaii Housing Finance and Development Corporation (HHFDC) to enter into ninety-nine year leases of units in residential condominiums located on state lands.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; and Building Industry Association of Hawaii. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that there is a severe shortage of affordable housing available in the State. Your Committees further find that developing state lands can be a potential solution to the housing shortage. Allowing HHFDC to sell leasehold units in condominiums on state land to qualified residents will provide homeownership opportunities to Hawaii residents without necessitating the sale of the state land in fee simple. Your Committees also find that most residential



developments on leasehold lands require extended lease terms to make projects economically feasible.

Your Committees note the concern of the Office of Hawaiian Affairs regarding the length of the 99-year lease and the Office's request for a more reasonable lease term. Your Committees also note the Office of Hawaiian Affairs' concern regarding the complete exemption of lands set aside by the Governor or lands leased to HHFDC by other state agencies from all public land requirements.

Accordingly, your Committees have amended this measure by:

- (1) As suggested by the Office of Hawaiian Affairs:
 - (A) Reducing the lease term length from 99 years to 75 years; and
 - (B) Subjecting state lands set aside by the Governor to the HHFDC and lands leased to HHFDC by any department or agency of the State to legislative approval requirements prior to the sale or gift of the lands; and
- (2) By making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1190, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1190, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Housing and Water
and Land,



KAIAMA I. MAHLE, Chair


STANLEY CHANG, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB1190	Committee Referral: HOU/WTL, WAM	Date: 2/12/2019		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)		X		
NISHIHARA, Clarence K.				X
RIVIERE, Gil	X			
FEVELLA, Kurt	X			
TOTAL	3	1		1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes